

To: Panel on Commerce and Industry
Legislative Council Secretariat

Dear Sirs

I am writing to oppose the idea of another round of expansion of Hong Kong Convention and Exhibition Centre in Wan Chai. Being a financial professional, I would like to express my analysis and opinion on this matter:

On the better usage of fund, as we all know, HK Government is the major shareholder of Exhibition infrastructure. In the past, our tax payer has spent 6 Billion HKD (excluding Land Price) on the all phases of development on HKCEC. On AsiaWorldExpo, we spent 2.35 billion HKD. As a result, around 9 Billion HKD has been spent on the Exhibition business from 1988. As estimated by the Trade Development Council, the latest centre's exhibition space expansion can only bring extra 600 positions but we have spent 1.4 billion, that means we spend average 2.3 million HKD per position. On the other hand, on Hong Kong-Zhuhai-Macau Bridge, we will spend around 7.6 billion HKD but we can bring 18,000 positions, that means 422K HKD per position. The marginal benefit for the bridge investment is much more than the expansion project.

On the better usage of land, Wan Chai is in the core business area. We need to ask ourselves the price of land if we build office building in the proposed area. I would like use the half price of Citibank Tower as an estimate, the value of the land is around 4 billion¹. If we add the land price into the cost of the expansion project, the return on investment is much lower.

In this unprecedented economic crisis, we cannot afford to waste a dollar of tax payer.

A Hong Kong citizen since 70's,
Ms LI Ng Bui

12 April 2010

¹ The market value of Citibank Tower is estimated by the value of Champion REIT, which is around 8 billion as Apr 30, 2009